

12-05-05

AF *EFW*

PTO/SB/21 (09-04)

TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Application Number	09/516,209
Filing Date	February 29, 2000
First Named Inventor	Allen-Rouman, Terry
Art Unit	3624
Examiner Name	Alain L. Bashore
Attorney Docket Number	020375-002700US

Total Number of Pages in This Submission 19

ENCLOSURES (Check all that apply)

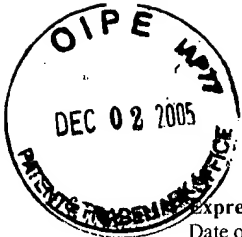
<input type="checkbox"/> Fee Transmittal Form <input type="checkbox"/> Fee Attached <input type="checkbox"/> Amendment/Reply <input type="checkbox"/> After Final <input type="checkbox"/> Affidavits/declaration(s) <input type="checkbox"/> Extension of Time Request <input type="checkbox"/> Express Abandonment Request <input type="checkbox"/> Information Disclosure Statement <input type="checkbox"/> Certified Copy of Priority Document(s) <input type="checkbox"/> Reply to Missing Parts/ Incomplete Application <input type="checkbox"/> Reply to Missing Parts under 37 CFR 1.52 or 1.53	<input type="checkbox"/> Drawing(s) <input type="checkbox"/> Licensing-related Papers <input type="checkbox"/> Petition <input type="checkbox"/> Petition to Convert to a Provisional Application <input type="checkbox"/> Power of Attorney, Revocation Change of Correspondence Address <input type="checkbox"/> Terminal Disclaimer <input type="checkbox"/> Request for Refund <input type="checkbox"/> CD, Number of CD(s) _____ <input type="checkbox"/> Landscape Table on CD	<input type="checkbox"/> After Allowance Communication to TC <input type="checkbox"/> Appeal Communication to Board of Appeals and Interferences <input checked="" type="checkbox"/> Appeal Communication to TC (Appeal Notice, Brief, Reply Brief) <input type="checkbox"/> Proprietary Information <input type="checkbox"/> Status Letter <input checked="" type="checkbox"/> Other Enclosure(s) (please identify below): Return Postcard
<input type="checkbox"/> Remarks		The Commissioner is authorized to charge any additional fees to Deposit Account 20-1430.

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm Name	Townsend and Townsend and Crew LLP		
Signature	<i>Michael L. Drapkin</i>		
Printed name	Michael L. Drapkin		
Date	December 2, 2005	Reg. No.	55,127

CERTIFICATE OF TRANSMISSION/MAILING

Express Mail Label: EV 720989486US			
I hereby certify that this correspondence is being deposited with the United States Postal Service with "Express Mail Post Office to Address" service under 37 CFR 1.10 on this date December 2, 2005 and is addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on the date shown below.			
Signature	<i>Kay Barclay</i>		
Typed or printed name	Kay Barclay	Date	December 2, 2005



Express Mail Label No. EV 720989486US
Date of Deposit December 2, 2005

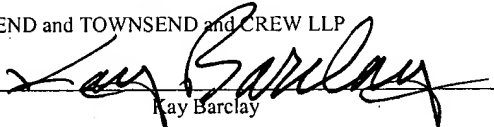
PATENT
Attorney Docket No.: 020375-002700US

I hereby certify that this is being deposited with the United States Postal Service "Express Mail Post Office to Address" service under 37 CFR 1.10 on the date indicated above and is addressed to:

MAIL STOP: Appeal Brief - Patents
Assistant Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

TOWNSEND and TOWNSEND and CREW LLP

By


Kay Barclay

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS**

In re application of:

Allen-Rouman et al.

Application No.: 09/516,209

Filed: February 29, 2000

For: ELECTRONIC PURCHASE METHOD
AND FUNDS TRANSFER SYSTEM

Customer No.: 20350

Confirmation No. 1082

Examiner: Alain L. Bashore

Technology Center/Art Unit: 3624

**AMENDED APPEAL BRIEF
UNDER CFR §41.37**

MAIL STOP: Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Appellants offer this Amended Appeal Brief under 37 CFR §41.37 to address the Notice of Non-Compliant Appeal Brief mailed November 22, 2005, and in furtherance of the previously filed Request for Reinstatement of Appeal.

I. REAL PARTY IN INTEREST:

At the time of the filing of this appeal brief, First Data Corporation is the real party in interest for this appeal.

II. RELATED APPEALS AND INTERFERENCES:

No other appeals or interferences are known which will directly affect, are directly affected by, or have a bearing on the board decision of the pending appeal.

III. STATUS OF CLAIMS:

Claims 14-18, 24-27, 29-33, and 35-46 are currently pending in the application, but stand rejected by the Examiner. Claims 14-18 were originally filed in the application on February 29, 2000. Claims 24-27, 29-33, and 35-43 were added by Preliminary Amendment, filed on January 7, 2002. Claims 44-46 were added in the response to the first Office Action, filed on June 18, 2002.

Claims 14-18, 24-27, 29-33, and 35-46 are believed improperly rejected and are the subject of this appeal. A copy of the claims as rejected is attached as an Appendix.

IV. STATUS OF AMENDMENTS:

An Amendment was filed on January 21, 2003 in response to the Final Office Action dated September 27, 2002. After filing a Notice of Appeal on March 27, 2003, an Amendment was filed on August 4, 2003 in response to the non-final Office Action mailed May 7, 2003. A Response to Notice of Non-Compliant Amendment was filed on August 21, 2003.

An Appeal Brief was filed March 25, 2004, in response to the non-final Office Action mailed on October 31, 2003. A Response to Notice of Non-Compliance was filed on November 8, 2004.

An Appeal Brief was filed on August 31, 2005, in response to the non-final Office Action mailed on June 16, 2005. That Office Action was substantively identical to the Office Action mailed on October 31, 2003. This Amended Appeal Brief is filed in response to a new Notice of Non-Compliance mailed November 23, 2005. No amendments are unentered.

V. SUMMARY OF CLAIMED SUBJECT MATTER:

Claims 14, 24, 29, 35, 38, and 39 are the independent claims. The claimed subject matter relates to a funds transfer system that facilitates electronic purchases. Fig. 2 of the Application shows an embodiment of such a system **100**, wherein the funds transfer system may act as a middleman in a purchase. Various embodiments of the invention allow for the transfer of funds from a payor to a payee through the funds transfer system without either party having to access the other's financial information.

Claims 14, 29, 35, 38, and 39 each call for receiving purchase information from a vendor, or vendor system (Application, p. 19, ll. 21-23; p. 26, ll. 14-22; Fig. 1, **4b**; Fig. 3; Fig 4, **201**). This purchase information, including price, may be received by a Funds Transfer System **30** from a separate Vendor System **20** (Id., p. 26, ll. 14-22; Fig. 1, **20, 30**; Fig. 2, **220, 230**).

Claims 14, 24, 35, 38, and 39 each call for receiving payment information from a purchaser (Id., p. 26, l. 22 - p. 27, l. 3; Fig. 2, **110, 130**; Fig. 3; Fig 4, **201**). This payment information, which may include account information, may be received by (and/or requested by) a Funds Transfer System **30, 230** from a separate Purchaser System **210** or User **10** (Id., Fig. 2, **110, 130**; Fig. 3; Fig 4, **202**). Claim 24 recites that the payment information include payee identification, payor identification, and amount (Id., p. 19, ll. 8-15).

Claims 14, 24, 29, 35, 38, and 39 each recite validating the payment information (Id., p. 20, l. 16 - p. 22, l. 20; p. 27, ll. 6-13; Fig. 1, **4e**, Fig. 3, Fig. 4, **203**). Claims 24, 29, 35, and 38 each recite that the validation is performed by the Funds Transfer System **30, 230** (Id., Fig. 1, **4e**, Fig 4, **203, 205b**). This validation may specifically comprise validation tasks by a user, as in claim 29 (Id., p. 20, l. 16 - p. 22, l. 6). The validation may also specifically comprise, as in claims 29 and 39, database comparisons and authorization checks of payment information (Id., p. 27, ll. 6-13).

Claims 14, 24, 29, 35, 38, and 39 each recite that, if the payment information is validated, the Funds Transfer System **30, 230** will pay, transfer, provide an IOU, or otherwise credit funds to an account of the vendor **220** or vendor system **20** (Id., p. 22, l. 17 - p. 23, l. 23; p. 27, l. 20 - p. 28, l. 19; Fig. 1, **5a**, Fig. 4, **204b**). Claims 14, 24, 29, 35, and 38 each recite that the

Funds Transfer System **30, 230** uses funds from the purchaser or purchaser account **240** (directly or indirectly) for the funds transfer (Id., p. 22, l. 24 - p. 23, l. 2; p. 28, ll. 20-22; Fig. 1, **5b**; Fig. 4, **205c**). Claims 24 and 30 provide that where information cannot be validated, the purchaser **210** is notified by the funds transfer server **130**. (Id., p. 27, ll. 14-19; Fig. 1, **4a**).

VI. ISSUES/GROUNDS OF REJECTION TO BE REVIEWED:

Issue I: Whether under 35 U.S.C. §112, second paragraph, claims 14, 29, 35 and 38 are indefinite for failing to particularly point out and distinctly claim their subject matter. Sections 2 and 3 of the Office Action, mailed June 16, 2005, describe the Examiner's current position on this issue.

Issue II: Whether under 35 U.S.C. §103(a) claims 14-18, 24-27 and 39-44 are unpatentable over cited portions of U.S. Patent No. 5,677,955 to Doggett et al. ("Doggett") in view cited portions of U.S. Patent No. 5,920,847 to Kolling et al. ("Kolling"). Sections 4 and 5 of the Office Action, mailed June 16, 2005, describe the Examiner's current position on this issue.

Issue III: Whether under 35 U.S.C. §103(a) claims 29-33 and 35-37 are unpatentable over Doggett in view of Kolling and in further view of cited portions of U.S. Patent No. 5,987,140 to Rowney et al. ("Rowney"). Section 6 of the Office Action, mailed October 31, 2003, describes the Examiner's current position on this issue.

GROUPING OF THE CLAIMS:

Appellant submits that the claims do not stand or fall together for the reasons set forth in the Argument section. For the purposes of this appeal, the claims are grouped as follows:

Group I: Claim 38 stands alone.

Group II: Claims 14-18 stand or fall together.

Group III: Claims 24-27, 44, and 45 stand or fall together.

Group IV: Claims 39-43 stand or fall together.

Group V: Claims 29-33 and 46 stand or fall together.

Group VI: Claims 35-37 stand or fall together.

Although certain claims are grouped above to stand or fall together, Appellant reserves the right outside the context of this appeal to argue independent patentability of any grouped claims.

VII. ARGUMENT:

I. Issue I: 35 U.S.C. §112 Rejection, Claims 14, 29, 35 and 38

Claims 14, 29, 35 and 38 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter. Contrary to the Examiner's assertion, Appellant is aware of no legal requirement that all conditional permutations be defined in a claim. Where the claim is silent on a given permutation, all possible actions are claimed for that permutation. This is not indefinite, just basic claim construction. If this rejection is maintained, Appellant respectfully requests further explanation as to why silence on a particular permutation is indefinite.

II. Issue II, Group II: 35 U.S.C. §103(a) Rejection of Claims 14-18

The Office Action has rejected claims 14-18, 24-27 and 39-44 under 35 U.S.C. §103(a) as being unpatentable over cited portions of U.S. Patent No. 5,677,955 to Doggett et al. ("Doggett") in view cited portions of U.S. Patent No. 5,920,847 to Kolling et al. ("Kolling"). The patent office is charged with putting forth a *prima facie* showing of obviousness. Appellant believes a *prima facie* case of obviousness has not been properly set forth in the Office Action. The basic test is excerpted below:

“To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.

Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." See MPEP §2143, Original Eighth Edition, August, 2001, Latest Revision February 2003.

Appellant believes the rejection has flaws with all three prongs of the above test for establishing a *prima facie* case of obviousness.

Teachings Missing from the Cited References

With regard to the third prong of the test, Appellant believes that Doggett and Kolling do not, either alone or in combination, teach or suggest the invention in the claims. More specifically, none of Doggett or Kolling teach or suggest "receiving purchaser information from a purchaser, the purchaser information including an identification of the purchaser account" as required by claim 14. For at least this reason, Appellant respectfully requests for reconsideration of the rejection to the claims.

Missing Limitation: Receiving Purchaser Information from a Purchaser

Claim 14 requires receiving purchaser information from a purchaser that includes a purchaser account. Doggett is cited for this proposition in Section 5 of the Office Action by saying the memorandum of proposed transaction 66 includes these items. Office Action dated June 16, 2005, page 3, second paragraph of section 5, second sentence. As is plainly shown in Fig. 3 of Doggett, the memorandum of proposed transaction 66 passes from the payee to the payor/purchaser. This is the wrong direction for this information to travel to anticipate this claim limitation. Doggett does not teach this limitation.

Motivation to Combine Doggett and Kolling

The first prong of the test requires, a suggestion or motivation to combine references to avoid hindsight reconstruction of the claimed invention based upon the information disclosed in the present application. The last two paragraphs of section 5 of the Office Action dated June 16, 2005 appear to address the motivation to combine Doggett and Kolling, but the

Appellant cannot ascertain the nature of this argument. It appears to rely upon an "obvious to try" standard, which is not the legal standard. The only way this combination of Doggett and Kolling makes any sense is to use the Appellant's claims as a template, which is impermissible hindsight reconstruction. Specific motivation relevant to the claimed limitations is respectfully requested in any further office action.

Reasonable Likelihood of Success in Combining Doggett and Kolling

The second prong of the test requires a reasonable likelihood of success in making the suggested combination. Combining the two bill payment system of Kolling with the electronic funds transfer system of Doggett is not a trivial task. Further, how would one of ordinary skill in the art hope to combine these references with any likelihood of success? One of ordinary skill in the art would not be able to combine these references in the suggested manner with any likelihood of success. To say differently trivializes the substantial effort required to design and implement these types of systems.

III. Issue II, Group III: 35 U.S.C. §103(a) Rejection of Claims 24-27, 44, and 45

The Office Action has rejected claims 14-18, 24-27 and 39-44 under 35 U.S.C. §103(a) as being unpatentable over Doggett in view of Kolling. Claim 45 depends from claim 24. The patent office is charged with putting forth a *prima facie* showing of obviousness. Appellant believes a *prima facie* case of obviousness has not been properly set forth in the Office Action. More specifically, Appellant believes the rejection has flaws with all three prongs of the above test for establishing a *prima facie* case of obviousness. The arguments relating to the first and second prongs of the test are given in the immediate preceding section and not repeated here.

Teachings Missing from the Cited References

With regard to the third prong of the test, Appellant believes that Doggett and Kolling do not, either alone or in combination, teach or suggest the invention in the claims. More specifically, none of Doggett or Kolling teach or suggest notifying the payor that the

payment information is not valid as generally required by claim 24. For at least this reason, Appellant respectfully requests for reconsideration of the rejection to the claim.

Missing Limitation: Notifying the Payor that the Payment Information is Invalid

Claim 24 requires notifying the payor that the payment information is not valid. The Examiner cites Figure 7 of Kolling for teaching this limitation. Office Action dated June 16, 2005, page 4, fifth paragraph of section 5. The NSF notice 46 corresponds to the arrows 8, 10, 12 from the Bank C back to the Biller or payee 14. Kolling, Fig. 7 and col. 20, lines 38-59. In contrast, the claim requires notifying the payor and not the payee such that the notification in Kolling is going in the wrong direction.

IV. Issue II, Group IV: 35 U.S.C. §103(a) Rejection of Claim 39

The Office Action has rejected claims 14-18, 24-27 and 39-44 under 35 U.S.C. §103(a) as being unpatentable over Doggett in view of Kolling. The patent office is charged with putting forth a *prima facie* showing of obviousness. Appellant believes a *prima facie* case of obviousness has not been properly set forth in the Office Action. More specifically, Appellant believes the rejection has flaws with all three prongs of the above test for establishing a *prima facie* case of obviousness. The arguments relating to the first and second prongs of the test are given in the preceding Section II and not repeated here.

Teachings Missing from the Cited References

With regard to the third prong of the test, Appellant believes that Doggett and Kolling do not, either alone or in combination, teach or suggest the invention in the claims. More specifically, none of Doggett or Kolling teach or suggest: (1) notifying the payor that the payment information is not valid as generally required by claim 39; (2) the database that has purchaser information and vendor information as required by claim 39; and (3) comparing payment information and purchase information against the database as required by claim 39. For at least these reasons, Appellant respectfully requests reconsideration of the rejection to the claims.

First Missing Limitation: Notifying the Payor that the Payment Information is Invalid

Claim 39 requires notifying the payor that the payment information is not valid. The Examiner cites Figure 7 of Kolling for teaching this limitation. Office Action dated June 16, 2005, page 4, fifth paragraph of section 5. The NSF notice 46 corresponds to the arrows 8, 10, 12 from the Bank C back to the Biller or payee 14. Kolling, Fig. 7 and col. 20, lines 38-59. In contrast, the claim requires notifying the payor and not the payee such that the notification in Kolling is going in the wrong direction.

Second Missing Limitation: Database with Purchaser and Vendor Information

Claim 39 requires the database that has purchaser information and vendor information. The only reference to a database in the Office Action is on page 4, fifth paragraph of section 5. But, the Examiner makes no argument as to how any of the references might teach or suggest this limitation. This further accentuates the lack of a *prima facie* case of obviousness being set forth. If this portion of the Office Action is meant to explain how Kolling teaches this limitation, the Appellant cannot ascertain the nature of this argument.

Third Missing Limitation: Comparing Purchase and Payment Information Against the Database

Claim 39 requires comparing the purchase and payment information against a database. The only reference to a database in the Office Action is on page 4, fifth paragraph of section 5. But, the Examiner makes no argument as to how any of the references might teach or suggest this limitation. This further accentuates the lack of a *prima facie* case of obviousness being set forth. If this portion of the Office Action is meant to explain how Kolling teaches this limitation, the Appellant cannot ascertain the nature of this argument.

V. Issue III, Group V: 35 U.S.C. §103(a) Rejection of Claim 29-33 and 46

The Office Action has rejected claims 29-33 and 35-37 under 35 U.S.C. §103(a) as being unpatentable over Doggett in view of Kolling and in further view of cited portions of U.S. Patent No. 5,987,140 to Rowney et al. ("Rowney"). Claim 46 depends from claim 29. The patent office is charged with putting forth a *prima facie* showing of obviousness. Appellant believes a *prima facie* case of obviousness has not been properly set forth in the Office Action.

It appears section 6 of the Office Action is addressing claims 29-33, but expresses that it is addressing claims 35-37. In any event, there again appears to be no discussion in the Office Action of the "requesting" and "receiving" steps of claim 29. Once a *prima facie* argument is set forth for the proposition that claim 29 is unpatentable, the Appellant can address that argument.

VI. Issue III, Group VI: 35 U.S.C. §103(a) Rejection of Claim 35-37


The Office Action has rejected claims 29-33 and 35-37 under 35 U.S.C. §103(a) as being unpatentable over Doggett in view of Kolling and in further view of Rowney. The patent office is charged with putting forth a *prima facie* showing of obviousness. Appellant believes a *prima facie* case of obviousness has not been properly set forth in the Office Action. Section b of the Office Action indicates it is addressing claims 35-37, but seems to be addressing claims 29-33. In any event, Appellants believe that the "requesting" and "receiving" steps should be specifically addressed in any *prima facie* rejection of claim 35.

CONCLUSION

Applicant does not believe a fee is due, but if the Office determines otherwise please deduct from deposit account 20-1430 any fees that may be due in association with the filing of this Brief.

If for any reason the Examiner believes a telephone conference would in any way expedite resolution of the issues raised in this appeal, the Examiner is invited to telephone the undersigned attorney at (303) 571-4000.

Respectfully submitted,


Michael L. Drapkin
Reg. No. 55,127

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834

PATENT

Attorney Docket No.: 020375-002700US

Page 11

Tel: 303-571-4000
Fax: 415-576-0300
MLD:klb

60647963 v1

APPENDIX LIST OF PENDING CLAIMS

1-13. (Canceled)

14. (Previously Presented) A method for facilitating an electronic purchase using a funds transfer system, the method comprising steps of:

receiving purchase information from a vendor, the purchase information including a purchase price;

receiving purchaser information from a purchaser, the purchaser information including an identification of a purchaser account;

validating the purchaser information, wherein:

if the purchaser information is validated, electronically sending a digital IOU to the vendor, and

the digital "I owe you" (IOU) is comprised of the purchase price;

and

redeeming the digital IOU.

15. (Previously Presented) The method of claim 14 wherein the step of redeeming the digital IOU further comprises steps of:

receiving the digital IOU from the vendor;

confirming the digital IOU;

receiving funds from the purchaser account equal to the digital IOU into a funds transfer account; and

transferring the funds to the vendor from the funds transfer account.

16. (Original) The method of claim 14 wherein if the purchaser information is not validated, sending a message to the purchaser that the electronic purchase is denied.

17. (Original) The method of claim 14 wherein if the purchaser information is not validated, further comprising a step for adding the purchaser to a purchaser database.

18. (Original) The method of claim 15 wherein the step for confirming the digital IOU comprises comparing a digital signature on the digital IOU to a signature log at a funds transfer system.

19-23 (Canceled)

24. (Previously Presented) A method for transferring funds from a payor to a payee as part of a checkout process, the method comprising steps of:

receiving payment information with a funds transfer system, the payment information including payee identification, payor identification and payment amount;
validating the payment information at the funds transfer system;
notifying the payor that the payment information is not valid if the validating step is unsuccessful; and

transferring funds from a payor account to a payee account through the funds transfer system if the payment information is validated.

25. (Previously Presented) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, the method further comprising a step of notifying the payee of the funds transfer.

26. (Previously Presented) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, wherein the step for validating the payment information comprises a step of checking the payor identification and the payee identification against a user database at the funds transfer system.

27. (Previously Presented) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 26, wherein the user database includes account information for the payor and the payee.

28. (Canceled)

29. (Previously Presented) An electronic transaction method for transferring funds from a user account to a vendor account to compensate the vendor for a purchase selected by a user while accessing a vendor system online and after the user selects from the vendor system a payment option associated with a funds transfer system, the method comprising steps of:

- establishing a connection from the funds transfer system to the user during checkout of the user with the vendor system, wherein the funds transfer system is separate from the vendor system;

- receiving purchase data from the vendor system with the funds transfer system;

- requesting validation from the user for the purchase;

- receiving with the funds transfer system validation information from the user;

- checking the validation information at the funds transfer system against a database; and

- transferring funds from the user account to the funds transfer system if the step of checking the validation information is successful; and

- transferring funds from the funds transfer system to the vendor account.

30. (Previously Presented) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, further comprising a step of returning a message to the user denying the purchase if the step of checking the validation information is unsuccessful.

31. (Previously Presented) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim

29, further comprising a step of modifying account information in the database associated with the user if the step of checking the validation information is unsuccessful.

32. (Previously Presented) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, wherein at least one of the user account and the vendor account is a bank account.

33. (Previously Presented) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, wherein the user account is a credit card account.

34. (Canceled)

35. (Previously Presented) A method for authorizing an electronic purchase during checkout with a user and a vendor system, the method comprising the steps of:

receiving purchase information from the vendor system, wherein the purchase information comprises a purchase price;

requesting payment information from the user;

receiving payment information from the user with funds transfer system;

validating the payment information with the funds transfer system;

crediting a vendor account in a first amount that corresponds to the purchase price if the step of validating payment information is successful; and

debiting a user account a second amount that corresponds to the purchase price if the step of validating payment information is successful.

36. (Previously Presented) The method for authorizing the electronic purchase during checkout with the user and the vendor system as recited in claim 35, wherein the vendor account and/or the user account are bank accounts.

37. (Previously Presented) The method for authorizing the electronic purchase during checkout with the user and the vendor system as recited in claim 35, wherein the vendor account and/or the user account are credit card account.

38. (Previously Presented) A computer-readable medium having computer-executable instructions for performing the computer-implementable method for authorizing the electronic purchase during checkout with the user and the vendor system, the computer-readable medium comprising code for:

- receiving purchase information from the vendor system, wherein the purchase information comprises a purchase price;

- requesting payment information from the user;

- receiving payment information from the user with funds transfer system;

- validating the payment information with the funds transfer system;

- crediting a vendor account in a first amount that corresponds to the purchase price if the step of validating payment information is successful; and

- debiting a user account a second amount that corresponds to the purchase price if the step of validating payment information is successful.

39. (Previously Presented) A funds transfer system for paying a vendor in a transaction with a purchaser, wherein the vendor uses a vendor system and the purchaser uses a purchaser system during the transaction, the funds transfer system comprising:

- a first connection with a vendor system;

- a second connection with a purchaser system;

- means for validating the transaction, wherein the purchase validation means comprises:

a machine readable medium having a database comprising purchaser information and vendor information;

means for receiving purchase information from the vendor system;

means for receiving payment information from the purchaser system; and

means for comparing the payment information and the purchase information against the database;

means for electronically notifying the payor that the payment information is not valid if the transaction cannot be verified; and

means for paying the vendor for the purchase.

40. (Previously Presented) The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein:

the means for paying the vendor comprises a connection to an automated clearing house, and

the automated clearing house transfers funds from a purchaser account to a funds transfer account and from a funds transfer account to a vendor account.

41. (Previously Presented) The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein the purchase information is selected from the group consisting of vendor identification, name of goods and purchase price.

42. (Previously Presented) The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein the payment information is selected from the group consisting of financial information of the purchaser, purchaser identification, a password, a name, and an address.

43. (Previously Presented) The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein the means for receiving purchase information and the means for receiving payment information are a file transfer protocol connection over a network.

44. (Previously Presented) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, wherein the transferring step comprises steps of:

transferring funds from the payor account to a funds transfer system account; and
transferring funds from the funds transfer system account to a payee account.

45. (Previously Presented) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, wherein the funds are in at least one of the following forms: a gift certificate, a store credit, airline mileage credit, promotional points, foreign funds, and another currency.

46. (Previously Presented) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, wherein the requesting step comprises steps of:

causing a pop-up window to be opened on a user machine; and
presenting the validation request in the pop-up window.